



Industry Notes: February 2018

■ **Workers Rank Health Care as the Most Critical Issue in the US**

In a key finding from the 2017 Employee Benefits Research Institute survey, workers ranked health care as the most critical issue in the nation. In 2017, 31% of workers ranked health care as the most critical issue in the United States. More concretely, **60% of workers report that health insurance is extremely important when considering whether to stay in or choose a new job, whereas only 42% report that a retirement savings plan is extremely important.**

*Employee Benefits Research Institute:
Workplace Benefits Survey 1/25/18*

■ **Sitting: How Much is too Much?**

Research shows that there's a direct relationship between time spent sitting and your risk of early death of any cause. It's clear that sitting too much is harmful to your health, but how long is too long to be sitting? When it comes to official recommendations for sitting, the guidelines simply aren't out yet. "Sitting disease" is a fairly new concept within the scientific research community. It took decades of research to determine the physical activity guidelines set forth by institutions like the Centers for Disease Control and the American Council on Sports Medicine – so it may take a few more years before experts provide specific recommendations for sitting. For now, the key is seeking movement throughout the day whenever you can. Even standing and stretching for a few minutes can help get blood flowing and combat the effects of sitting.

Wellness Council of America

■ **Individual Mandate Repealed**

The Tax Cuts and Jobs Act of 2017 (Pub. L. No. 115-97) signed into law December 22, 2017 repeals the legal requirement that individuals obtain health insurance. That obligation goes away effective 1/1/2019, not in 2018 as many think.

■ **Tax Law Sends Mixed Messages About Transportation Benefits**

The Tax Cuts and Jobs Act of 2017 (Pub. L. No. 115-97) signed into law December 22, 2017 also makes significant changes to the tax treatment of transportation and commuter benefits. Beginning in 2018, the law repeals employer deductions for parking and transit benefits. Employees are still able to exclude employer-provided parking and transit benefits from their income and use salary reductions to purchase such benefits on a pre-tax basis.

The law makes the opposite changes to bicycle commuting reimbursements. Employers may continue to deduct bicycle commuting reimbursements offered to employees. However, beginning in 2018, and ending January 1, 2026, employees are subject to income tax for employer reimbursements for bicycle commuting expenses. Furthermore, the benefits can't be purchased through salary reduction contributions.

The elimination of the parking and transit benefits deduction is expected to generate \$17.7 billion in revenue over the next decade.

Bloomberg 1/17/2018

■ **States Look at Establishing Their Own Health Insurance Mandates**

Nine states including Maryland, California, Connecticut, Hawaii, Rhode Island, Washington, Minnesota, New Jersey, Vermont, and District of Columbia are pursuing a plan to replace the ACA mandate, which was repealed beginning 1/1/2019.

Republicans in Congress failed to repeal the law overall, but in addition to erasing the individual mandate, the Trump administration has been using administrative actions to roll back the

ACA's requirements and give states more control. That is creating a landscape in which blue states will pursue initiatives to keep or expand the ACA, while red states take actions to defang the law and put a conservative stamp on health policy.

WSJ 2/4/18

■ **Fitbit's Healthiest Days for 2017**



Fitbit blog 1/8/2018

■ **Legislation that Ended Government Shutdown 1/22/2018 and Again 2/9/2018 CHIP Extension**

The CHIP program was extended a total of 10 additional years under the combined bills that proved short term funding for the federal government in January and February. While the legislation extends funding through 2023, the amount the federal government contributes will be reduced. Prior to the PPACA, federal funding covered 71% of the cost for CHIP and was increased to 94% under the Health Care Reform. Reductions in federal funding will put additional burdens on states to make up the difference. More importantly for employer sponsored health plans is that income eligibility thresholds were also tightened from 405% of the Federal Poverty Level to 300% which will reduce eligibility under the program. The impact may be that employers see an increase in the number of children covered on their plans as impacted families look for alternative coverage options. Being able to afford family medical coverage is

an important and significant expense for employees. As the landscape continues to change, it will take on a greater significance for both employees struggling to insure their families and for employers struggling to provide affordable options for their families.

“Cadillac Tax”

The Cadillac Tax is a 40% tax on the value of employer-sponsored health coverage that exceeds certain benefit thresholds. The legislation delayed the effective date to 2020 from 2018.

■ **Even a Little Exercise Helps**

Four of five adults do not get the recommended exercise each week. While the roughly 3 hour weekly exercise may seem daunting there is reason to do whatever you can. A recent 13 year study published in the American Journal of Preventive Medicine tracked 139,000 adults. “While the greatest benefits came from meeting or exceeding the exercise recommendations, those who fit in just 2 hours of walking per week were 26% less likely to die early than sedentary people.”

3 Ways to Get Started Today

- 1) **Take a walk.** It's underappreciated, but walking is probably the single best exercise for most people.
- 2) **Do what you can.** Walk at a pace that's comfortable; it's that simple. As you get more fit, you can increase the time and/or intensity.
- 3) **Break it up.** A few short bouts of exercise per day are just as helpful as doing longer sessions, and can feel more doable. Aim for 10-minute mini workouts 2 or 3 times each day. Go for a walk around the block a couple of times before lunch and then repeat for dinner.

Consumer Reports On Health 2/2018



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